

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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U.S. DEPARTMENT OF COMMERCE
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
THE OFFICE OF THE CONSUMER ADVOCATE WITNESS CALLOW
(USPS/OCA-T500-30-35)

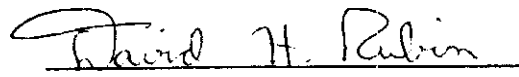
Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to the Office of the Consumer Advocate witness Callow: USPS/OCA-T500-30-35.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


David H. Rubin

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January 28, 1998

USPS/OCA-T500–30. Please refer to Table 13 of your testimony, at pages 42–43.

- (a) Please confirm that “Non-CAG Costs” are allocated among fee groups according to the number of boxes in each group. If you do not confirm, please explain why not.
- (b) Please confirm that “Non-CAG costs” constitute about 78 percent of total “All Other” costs (\$81,827/\$104,580). If you do not confirm, please explain.
- (c) Please confirm that “Supervisor Costs” and “Mailhandler Costs” are allocated among fee groups according to the number of boxes in each group, except that the boxes are zeroed for those CAGs that have no (or virtually no) supervisors or mailhandlers, respectively. If you do not confirm, please explain why not.
- (d) Please confirm that “Postmaster Costs” are allocated among fee groups according to your estimate of the number of postmasters in each group, and then to box size according to the number of boxes of each size in each group. If you do not confirm, please explain why not.
- (e) Please confirm that you allocate CAG-related “All Other” labor costs (postmaster, supervisors, and mailhandlers) for your proposed fee groups as follows:

<i>Fee Group</i>	<i>Labor Costs Per Box</i>
A	\$2.86
B	\$2.87
C-I	\$2.89
C-II	\$0.89
C-III	\$0.53
D-I	\$2.90
D-II	\$0.84
D-III	\$0.39
E	\$0.60
Total	\$1.45

USPS/OCA-T500–31. Please refer to your response to interrogatory USPS/OCA-T500–3.

- (a) Please confirm that your method for allocating postmaster costs assumes that each postmaster incurs the same dollar amount of post office box “All Other” costs. If you do not confirm, please explain why not.
- (b) Do you believe that postmasters at large offices are as likely to perform post office box “All Other” work as postmasters at small offices? If so, please explain the basis for your response.
- (c) Please confirm that your allocation of post office box labor costs does not reflect the possibility that post office box “All Other” activities that are performed by mailhandlers and supervisors at larger offices are performed by postmasters and clerks at smaller offices. If you do not confirm, please explain why not.

USPS/OCA-T500–32. Please refer to your Table 18. Please confirm that you are proposing a 40 percent fee increase for over 62 percent of Group C boxes, and a 25 percent increase for over 69 percent of Group D boxes. If you do not confirm, please explain why not.

USPS/OCA-T500–33. Please refer to your response to interrogatory USPS/OCA-T500–6(a). Please confirm that an office’s revenues could change so that it needs to be reclassified, even though there has been no change in the office’s costs. If you do not confirm, please explain why not.

USPS/OCA-T500–34. Please refer to your response to interrogatory USPS/OCA-T500–7, and to library reference LR-OCA-2 at page 17.

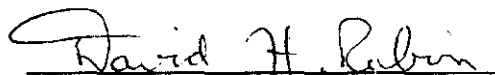
- (a) Please provide the mean cost for all offices, combining City-Other and Non-city.
- (b) Please confirm that OCA-LR-2 shows that there are offices with high rental costs (at least twice the mean cost) in each of the CAGs.
- (c) In your response to interrogatory USPS/OCA-T500-7, you state that you decided to use the Postal Service's determination from Docket No. R90–1 that some CAG A-D offices were in high-cost areas as the basis for defining your new fee groups C-I and D-I. Is your goal for groups C-I and D-I to include offices "in high cost areas", offices with high postal costs, or offices with high revenues? Please explain your response.

USPS/OCA-T500–35. Please refer to your response to interrogatory USPS/OCA-T500–9.

- (a) Do you believe that the Groups C and D fees can be merged with two more changes of the same magnitude you propose in this case?
- (b) Please confirm that two more 40 percent increases for Group C-I, and 100 percent increases for Group D-1, would leave Group D-1 more than \$13 below Group C-1. If you do not confirm, please explain why not.
- (c) Please confirm that a similar process for Groups C-II and D-II, and Groups C-III and D-III would leave gaps even larger than \$13 between these fee groups after the second proceeding. If you do not confirm, please explain why not.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, reading "David H. Rubin", written over a horizontal line.

David H. Rubin

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